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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

IN RE: 23ANDME, INC. CUSTOMER
DATA SECURITY BREACH LITIGATION

This Document Related to: ALL ACTIONS

No. 3:24-md-03098-EMC

**SUPPLEMENTAL BRIEF RE CYEX IN
RESPONSE TO MINUTE ORDER
[DKT. 156]**

Courtroom: 5, 17th Floor
Judge: Hon. Edward M. Chen

On November 25, 2024, the Court requested that the Settling Parties provide the Court additional information regarding CyEx, llc., the proposed provider of the Privacy & Medical Shield + Genetic Monitoring (“Privacy Shield”) program to Settlement Class Members (Dkt. 156).

1. What are the qualifications of CyEx to serve as a provider?

CyEx was founded in 1995 as Intersections Inc. and was one of the first companies to offer identity protection and remediation to consumers in the United States. CyEx is a subsidiary of Pango Holdings as described more fully below. *See* Declaration of Gerald Thompson in Support of Supplemental Brief Regarding CyEx in Response to Minute Order [Dkt. 156] (“Thompson Decl.”) at ¶ 3, filed herewith. CyEx’s services operate in two main areas: cyber incident response and data breach and privacy class action settlements. *Id.* at ¶ 4. Since 1995, CyEx has provided services to more than 48 million citizens in the United States. CyEx has distributed its services through a focused distribution network of large U.S. financial institutions and large enterprise companies since its founding and, since 2010, has serviced both large and small data breach populations.¹ Thompson Decl. at ¶ 6.

In the last two years, CyEx has been appointed to provide various monitoring services in many of the largest data breach class action settlements, including, *In re: Capital One Inc. Customer Data Security Breach Litigation*, Case No. 1:19-md-2915 (AJT/JFA) (E.D. Va.) (97,000,000 class members); *In Re: T-Mobile Customer Data Security Breach Litigation*, Case No. 4:21-MD-03019-BCW (W.D. Mo.) (77 million class members); *In re: Morgan Stanley Data Security Litigation*, Case No. 1:20-cv-05914 (S.D.N.Y.) (15,000,000 class members); *Aguallo, et al. v. Kemper Corporation & Infinity Insurance Company, Inc.*, Case No. 1:21-cv-01883 (N.D. Ill.); *Heath, et al. v. Insurance Technologies Corp. & Zywave, Inc.*, Case No. 3:21-cv-01444-N (N.D. Tex.); *In re: Banner Health Data Breach Litigation*, Case No. 2:16-cv-02696-SRB (D. Ariz.); *In re Arthur J. Gallagher Data Breach Litigation*, Case No. 1:22-cv-00137 (N.D. Ill) and others. Since 2016, CyEx has provided services for more than 2,100 data

¹ *See also* Declaration of Gerald Thompson on behalf of CyEx (Dkt. 103-7) at ¶ 2.

breaches of all sizes and across multiple industries.² Thompson Decl. at ¶ 4.

CyEx offers monitoring services for victims of data breach incidents which focus on the specific type of data breach. As an example, to our knowledge, CyEx’s “Medical Shield” is a unique medical identity monitoring services for healthcare related data breaches, and its “Privacy Shield” provides consumers with a suite of tools that will gradually diminish a user’s digital footprint using advanced technology launched from the Privacy Shield “dashboard.” These tools include, among others, a data broker opt out feature, a password manager, and a VPN service, where CyEx has developed or owns the proprietary services offered.³

For this case, these two services have been integrated, along with CyEx providing the genetic monitoring capability. Thompson Decl. at ¶ 5. CyEx views the customer care it offers via its call centers as a critical component of its business. The average tenure of a CyEx call center agent is more than six years, which surpasses the average in the industry. The core competency of the Customer Care team is dealing with a wide variety of identity and financial malfeasance matters across a broad spectrum of incidents. The CyEx team has well developed protocols to deal with incidents related to identity, medical & healthcare data exposure, financial account exposure and misuse and privacy related data exposure. *Id.* at ¶ 7.

2. Do the Settling Parties have information about the company’s financial strength?

CyEx is one of four operating companies held by Pango Holdings, which are discussed in more detail below. Pango Holdings is a privately held company with several large investors including Warburg Pincus, General Catalyst, WndrCo, Met Life, Madrone Capital Partners (Walton Family Office) and others. Key senior leadership also owns a meaningful stake in the company. Because the company is held privately, Pango Holdings’ financial statements are not publicly available, however, CyEx’s Executive Vice President & Founder, Gerald Thompson, reports the company’s revenues in 2024 are more than \$250 million and each of the four operating businesses held by Pango Holdings is profitable on a stand-alone basis. In May 2024,

² See also Dkt. 103-7 at ¶ 3.

³ See also Dkt. 103-7 at ¶ 4.

CyEx acquired a settlement administration company, Simpluris, Inc., in an all-cash transaction for about \$100 million.⁴ Thompson Decl. at ¶ 8.

3. Can the Settling Parties give more information about Pango Holdings and CyEx's role within that larger organization?

Pango Holdings has four operating companies:

- Anchor Free (www.anchorfree.com), the third largest provider of VPN services globally under brands that include Hot Spot Shield, Betternet and multiple other private label brands. Anchor Free on-boards more than 200,000 users globally every day into their services.
- Comparitech (www.comparitech.com), a digital publishing company based in London, writes and publishes reviews of the leading antivirus and VPN providers and generates revenues based on Search Engine Optimization (SEO) and click rates. It is the smallest of Pango Holdings' business units, with annual revenues under \$20 million.
- Pango Co. (www.pango.co.com) is an operating business that sells and licenses identity theft prevention, VPN and antivirus software and services to large corporations for resale to their client bases. Pango Co. markets brands owned by Pango Holdings, as well as private label brands of their clients. This business unit has active monthly subscribers generated through relationships with Costco, Comcast, Yahoo, Bit Defender, Kaspersky, Bank of America and several other global enterprises.
- CyEx (www.cyex.com) is the second largest revenue generator in the Pango Holdings portfolio. In 2023, the CyEx brand was launched; however, the business has existed under other monikers since 1995. Originally known as Intersections Inc., it was the first company to offer identity theft prevention services to

⁴ See PR Newswire, *Data Breach Response Provider, CyEx, Acquires Settlement Administrator, Simpluris Inc.*, available at <https://www.prnewswire.com/news-releases/data-breach-response-provider-cyex-acquires-settlement-administrator-simpluris-inc-302149076.html>.

consumers in the United States and Canada. CyEx, has been offering identity theft prevention services to consumers for longer than any of the credit bureaus.

Thompson Decl. at ¶ 9.

To the extent the Court has any further questions or requires clarification, the Parties stand ready to provide any additional information.

RESPECTFULLY SUBMITTED this 3rd day of December, 2024.

/s/ Cari Campen Laufenberg
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CERTIFICATE OF SERVICE

I, Sarah Skaggs, hereby certify that on December 3, 2024, I electronically filed the foregoing with the Clerk of the United States District Court for the Northern District of California using the CM/ECF system, which shall send electronic notification to all counsel of record.

/s/ Sarah Skaggs
Sarah Skaggs